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A BIBLIOGRAPHY OF THORSTEIN VEBLEN

BY

HAROLD A. INNIS
University of Toronto

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The appearance of a doctorate thesis from the University of Paris by William Jaffé entitled *Les Theories Economiques et Sociales de Thorstein Veblen* (Paris, 1924) is a reminder that the work of Thorstein Veblen may be regarded as practically complete and that the time for review and criticism of the main body of that work has arrived. That Mr. Veblen has regarded his main work as complete is evident in the publication of his works in the more popular journals such as the *Dial* and the defunct *Freeman*. He has approached the point at which popularization could be safely undertaken and his most recent work, *Absentee Ownership and Business Enterprise in Recent Times*,¹ *The Case of America* (New York, 1923) is his most effective literary work and probably his least effective scientific work. We may safely launch upon a survey of his work without fear of the necessity of serious revision through the appearance of later publications. Some such approach is necessary at an early date lest the importance of his contributions should be obscured by the violence of the controversies which have raged about them. Already the ablest of his critics have tended to neglect the significance of his main contribution.

Characteristically Mr. Thorstein Veblen has refused to contribute information to *Who's Who* and so far as I am aware the date of his birth is unknown. He is a descendant from the Scandinavian settlers of the Northwestern States. Doubtless he would describe himself as belonging to the dolichocephalic blond race—the race which according to his description of the theory—followed the retreat in the last glacial period and which because of the severity of the environment was subjected to appreciable mutation.² It was the race which had

¹J. M. Clark, "Review of Absentee Ownership," *American Economic Review*, Vol. 14, 1924, pp. 289-293. The publication of *Laxadaela Saga* tr. T. B. Veblen, 1925, is further evidence of a completion of the main economic work.

²*The Blond Race; The Place of Science in Modern Civilization*, pp. 455-476.

been least subject to the hybridization which had characterized European peoples in recent times. Grant³ has emphasized the importance of the contributions of this race to European culture perhaps unduly, as Kroeber,⁴ a defender of the Mediterranean races has pointed out. Nevertheless this people⁵ has left its stamp on European races and on European culture as a study of the inroads of the Danes, the Vikings and the North Germans would show. In some sense Mr. Veblen has shown evidence of this lineage in his devastating attacks on the established economic theories of the current period. But Mr. Veblen has, on the whole, disregarded the importance of races in studies on European culture chiefly on the ground of the wholesale hybridization⁶ which has taken place—taking strong ground that even the Jews⁷ have not escaped this tendency. He has regarded this hybridization as important in its increasing the number of combinations of unit characters⁸ described under the Mendelian theory but it provides no significant basis in the explanation of the trends of European cultural growth. For an explanation of Mr. Veblen's work we must turn to environmental influences.

Of these early and direct influences little is known, other than the information given to me by Mr. S. J. McLean and others that he lived a hard, energetic life in Wisconsin, the state in which he was born. He graduated from Carleton College, Minnesota, in 1880. His interests after graduation were apparently in philosophy as he continued with graduate work at Johns Hopkins University in that subject, but as his description has it, suffering a breakdown in health he decided to study economics and secured his doctorate from Yale. His study of philosophy⁹ was confined chiefly to Kant, Comte,

³Madison Grant, *The Passing of the Great Race or the Racial Basis of European History*. (New York, 1916.)

⁴Kroeber, A. L., *Anthropology* (New York, 1923-1924).

⁵Williams, M. W., *Social Scandinavia in the Viking Age* (New York, 1920).

⁶*Imperial Germany and the Industrial Revolution* (New York, 1915), pp. 5ff.

⁷"The Intellectual Preëminence of the Jews in Modern Europe," *Political Science Quarterly*, Vol. 34, March, 1919, pp. 33-42.

⁸*Imperial Germany*, loc. cit.

⁹Jaffé, William, *Les Théories Economiques et Sociales de Thorstein Veblen* (Paris, 1924). This volume has an excellent bibliography.

Spencer and Darwin or the positivistic school. In 1884 his first article on *Kant's Critique of Judgment* was printed in the *Journal of Speculative Philosophy*. He regarded himself in some sense as a disciple of Spencer.¹⁰ With Darwin he was obviously impressed with the importance of evolution but he was not convinced of the finality of materialism and mechanism and he was among the first to detect the relation¹¹ between the Industrial Revolution and the Darwinian theory and the later theories of physics and chemistry. Like the positivists he was willing to test the theory of evolution and to attempt to work out scientific laws for economics, always remaining critical, however, and prepared to check the validity of any line of approach. It cannot be urged with satisfaction that his philosophy is determined by Hegel and Karl Marx.¹² He was influenced by these men but the roots of his philosophy are to be found in Kantianism, possibly in Comte but rather in Hume, Locke, and Spencer and post-Darwinian philosophy; he had little sympathy with Bergson¹³ and the *élan vital*. It is because of the background of philosophy that he has been referred to as the most important economist to come out of America.

With this philosophical background Veblen approached the subject of economics. His approach was from the inductive side in keeping with his philosophy. He was interested in dynamics and his first important published work on economics printed in the first number of the *Journal of Political Economy* in 1892¹⁴ was entitled "The Price of Wheat since 1867." In a later number in the same year he published an article on "The Food Supply and the Price of Wheat." These articles were models of analysis of economic facts. One is immediately struck by the similarity between the character of the analysis

¹⁰*Annals of the American Academy of Political and Social Science*, Vol. II, 1891-1892, pp.57ff.

¹¹"The evolution of the scientific point of view," *The Place of Science*, pp. 32-35. See Ayres, C. E., *Science the False Messiah* (Indianapolis 1927).

¹²"The socialist economics of Karl Marx and his followers," *The Place of Science*, pp. 409-456.

¹³*The Instinct of Workmanship*, pp. 334n. 335n. 336n.

¹⁴*J.P.E.*, Vol. 1, No. 1, Dec., 1892, pp. 68-103 and no. 3, June, 1893, pp. 365-379.

and the wide range of these articles and the volume on *Business Cycles* by Wesley C. Mitchell. They were models for the work of later economists in analyzing the relationship of complex factors. The close attention to dynamic factors in these articles warrants a further consideration of his environment. His discussion covered the important period after the Civil War in which American industrialism came into full bloom. The phenomena of that period with its essential dynamic features left a strong impression on Veblen's work.

He was not only influenced by the dynamic factors of his immediate environment but also by the school of German economic historians. The German economists found themselves in a similar environment following the Franco-Prussian War of 1870 and the rapid spread of the Industrial Revolution. The American economists of the middle west had much in common with the German economists of the period after 1870. This influence was strengthened as a result of the close relationship between German universities and American universities through which large numbers of American students¹⁵ prosecuted their studies in Germany. The influence of Schmoller and especially of the German historical school and their break with the English classical school is important to an appreciation of Veblen. If one were a disciple of the frontier school one might say that Veblen's influence on economic theory was a result of the frontier but it was the frontier of the industrial revolution which influenced his thought and not of American agriculture, important as this may have been.

At this point it is advisable to present a brief survey of Mr. Veblen's academic record. He was elected fellow at Cornell in 1891-1892. For the *Quarterly Journal of Economics* in 1892 he wrote an appraisal¹⁶ of Bohm Bawerk's work praising him for his distinction between social and private capital but charging him with adherence to the wage fund doctrine, and an article on overproduction¹⁷ holding that it

¹⁵See Seager, H. R., "Economics at Berlin and Vienna." *J.P.E.*, Vol. 1, 1892-1893, pp. 236-262 and C. F. Thwing, *The American and German University* (New York, 1928).

¹⁶"Bohm Bawerk's definition of capital, and the source of wages." *Q.J.E.*, Vol. VI, 1891-1892, pp. 247-250.

¹⁷"The Overproduction Fallacy," *ibid.*, pp. 484-492.

was a description of production at a lower price level. In the same year in an article on Socialism in the *Annals of the American Academy*¹⁸ he attempted to explain the causes of discontent which he regarded as due to jealousy and envy. Quoting a sentence¹⁹ which was a prelude to the *Theory of the Leisure Class*: "As we are all aware the chief element of value in many articles of apparel is not their efficiency for protecting the body but for protecting the wearer's respectability and that not only in the eyes of one's neighbors but even in one's own eyes. Indeed it happens not very rarely that a person chooses to go ill-clad in order to be well-dressed. Much more than half of what is worn by the American people may confidently be put down to the element of dress rather than to that of clothing." Socialism could not claim inadequate production as a ground for condemning modern society. On the other hand, private property was the cause of waste. Moreover, Socialism, like the British constitution, suggested a way out from the two horns of the dilemma of status and contact which were supposed to dominate all civilizations in the writings of Maine and Spencer.

As a result of these articles J. Laurence Laughlin, under the direction of President Harper in the founding of the University of Chicago, included Veblen in his raids and captures on the brilliant younger men of the older Eastern universities. He was appointed reader in 1892 and became tutor²⁰ in 1894, instructor in 1895-1896 and assistant professor in 1901, at which rank he remained until his resignation in 1905. Throughout his term at Chicago he gave a course on the History of Socialistic Theories. In 1895-1896 he began a course on the scope and method of political economy with special reference to the German historical school. His early articles on wheat were obviously on a subject with which he had first hand acquaintance and his analysis is strictly a price analysis with great emphasis on the state of the industrial arts—on the introduction of railroads, the ocean steamship, and

¹⁸"Some Neglected Points in the Theory of Socialism," *Annals of the American Academy of Political and Social Science*, Vol. II, 1891-1892, pp. 57-74.

¹⁹*Ibid.*, pp. 63-64.

²⁰University of Chicago Calendars.

agricultural machinery. He predicted that the price of wheat would remain below 91 cents for the next decade and with the exception of 1898, when it was 93 cents, his prediction was fulfilled. It is suggestive in this connection that Veblen and his followers who have protested most against the inclusiveness of price economics have done most in the study of price phenomena. On the basis of these papers he began a course on problems of American agriculture in 1895-1896 which continued until 1900. In 1896-1897 a course on the history of political economy was added and in 1897-1898 his famous course on the economic factors of civilization was begun. This course was given in Leland Stanford²¹ to 1911, in the University of Missouri²² to 1918 and in the New School for Social Research²³ which he joined at the later date. When it was suggested that the material should be published he replied in a way which all lecturers will appreciate, that one could beat about the bush in a lecture but it was difficult to get sufficient accuracy to warrant publications. In 1904-1905 he gave his first course in trusts. In Leland Stanford and Missouri he continued with the courses on the history of socialism and the history of economic theory. At Leland Stanford he was with Professor Allyn Young as acting head, and at Missouri with Professor Davenport. At the New School he came and worked with Professor Wesley C. Mitchell. At Chicago he was editor of the *Journal of Political Economy* from 1895 to 1905. It is interesting to note the policy followed by him in the *Journal of Political Economy*²⁴—the absence of articles on abstruse points of theory, the inclusion of a wide range of subjects on descriptive economics, and especially of articles on Europe, Germany, and Austria, and the number of reviews of German works. In 1895 he translated for publication²⁵ Gustav Cohn's *System der Finanzwissenschaft*.

²¹Leland Stanford University Calendars.

²²University of Missouri Calendars.

²³Announcements of the New School for Social Research.

²⁴"The Journal is established primarily to promote the scientific treatment of practical problems." *J.P.E.*, Vol. VI, 1897-1898 title page, *American Journal of Sociology*, Vol. XIV, Sept., 1898, pp. 187-201, Nov., 1898, pp. 352-365, Jan. 1899, pp. 503-519.

²⁵Cohn, Gustav, *Science of Finance*. T. B. Veblen (Chicago, 1895).

It was in the last years of the decade that his most important contributions began to be published. Three articles²⁶ were printed in the *American Journal of Sociology*, 1898–1899, on the “Instinct of Workmanship and the Irksomeness of Labour,” “The Beginnings of Ownership,” and the “Barbarian Status of Women.” These were introductory to the *Theory of the Leisure Class, an Economic Study of Institutions*, 1899. Unfortunately this proved his most popular work as shown in the number of editions through which it has run. It was written at the period when the gilded age was at its height and it marked the beginning of the revolt which has since culminated in the works of Upton Sinclair, H. L. Mencken, Sinclair Lewis and the host of modern writers. The environment was certain to evoke some such work from a man who had to do with such practical affairs as wheat farming. Its style was unfortunate, not because of its difficulty, but because of the manner in which the phrases stuck. From that work Veblen’s reputation never recovered. He was regarded as the satirist with barbed phrases. Conspicuous consumption, pecuniary emulation, became “Veblenian” terms. In spite of its popularity the volume was a direct and devastating attack on the marginal utility theory. It was precisely a clash between the viewpoint of the German historical school with its stress on the evolution of institutions and the classic theory. In Veblen’s work he attacked economics from two angles—consumption and production. His first important volume was designed to show the weakness of economic theory on the consumption side. He delivered a more reasoned broadside in the article on the “Limitations of Marginal Utility”²⁷ in the *Journal of Political Economy* for 1909, but the main task had been done. In some sense this was his most important service, and it is probably what Graham Wallas was thinking of when he described him as a genius comparable to Jeremy Bentham. He attempted to destroy the hedonistic calculus which Jeremy Bentham had done much to set up.

The gilded age was not only at its height in the gay nineties and conspicuous consumption was not only most conspicuous,

²⁶Graham Wallas’ review of *Imperial Germany and the Industrial Revolution*, *Q.J.E.*, Vol. XXX, 1916, p. 186.

²⁷*J. P. E.*, Vol. XVII, 620–636.

but also there reached a peak in the United States in that decade or in the beginning years of 1900, another phenomenon which became conspicuous on the side of production. The United States Steel Corporation was formed in 1902. The rapid strides of machine industry after the Civil War produced more goods than could be consumed without resort to conspicuous consumption, and a situation of overproduction from the standpoint of the market which resulted in the rapid formation of trusts after the seventies. After 1900 Veblen became intensely interested in this phenomenon of production. An article²⁸ on "Industrial and Pecuniary Employment" appeared in the *American Economic Association Publications* in 1901, and a most satiric article on "An Experiment in Trusts"²⁹ appeared in the *Journal of Political Economy* in 1904. In the same year his chief contribution on the side of production was published in the *Theory of Business Enterprise*.³⁰ An article on "Credit and Prices"³¹ appeared in the *Journal of Political Economy* in 1905—again it was the attitude of a practical wheat grower which predominated and production was regarded from the standpoint of the expert engineer. In *The Theory of Business Enterprise* this prediction is worth nothing.³² "Barring accidents and untoward cultural agencies from outside of politics, business or religion, there is nothing in the logic of the modern situation that should stop the cumulative war expenditures short of industrial collapse and consequent national bankruptcy such as terminated the carnival of war and politics that ran its course on the Continent in the sixteenth and seventeenth centuries"—a prediction amply fulfilled ten years later. With the publication of this volume his interests appear to have continued with the problems of production, and his next important work, *The Instinct of Workmanship*,³³ was published in 1914. This was followed

²⁸*Publications of the American Economic Association*, series 3, Vol. II, 1901.

²⁹"An early experiment in trusts," *The Place of Science*, pp. 497.

³⁰*Theory of Business Enterprise* (New York, 1904).

³¹*J.P.E.*, Vol. XIII, No. 3, June, 1905, pp. 468-472.

³²*Theory of Business Enterprise* (New York, 1904), p. 301.

³³*The Instinct of Workmanship and the State of the Industrial Arts* (New York, 1914).

by *Imperial Germany and the Industrial Revolution*,³⁴ 1915, *An Inquiry into the Nature of Peace*,³⁵ 1917, *The Vested Interests and the State of the Industrial Arts*,³⁶ 1919, *The Engineers and the Price System*,³⁷ 1921, *Absentee Ownership*,³⁸ 1923. His main argument was logically developed in each of these volumes—namely, that machine industry was overwhelmingly and increasingly productive, and that the problems of machine industry were incidental to the disposal of the product.

The constructive part of Veblen's work was essentially the elaboration of an extended argument showing the effects of machine industry and the industrial revolution. Veblen's interest was in the state of the industrial arts which had got out of hand—a point similar to that urged by Samuel Butler. The destructive part of his work, contrary to general opinion, is slight, and confined to articles and reviews written in the latter period. They were chiefly concerned with contemporary economic theory, being directed as criticism of the classical and neoclassical economists, and partly as support of the historical school. On this side he was also interested in the effect of the industrial revolution on economic theory. In the articles in the *Quarterly Journal of Economics*, 1899–1900, on the preconceptions of economic science,³⁹ he suggested the effects of the handicraft system on the science. He attempted to trace the effects of industrialism on economic theory⁴⁰ in the later reviews and articles. In a review of Schmoller's⁴¹ *Grundriss*, he spoke favorably of the work but criticized it for the bias which it evinced against modern tendencies. In 1906—

³⁴*Imperial Germany and the Industrial Revolution* (New York, 1915).

³⁵*An Inquiry into the Nature of Peace and the Terms of Its Perpetuation* (New York, 1917).

³⁶*The Vested Interests and the State of the Industrial Arts* (New York, 1919).

³⁷*The Engineers and the Price System* (New York, 1921).

³⁸*Absentee Ownership and Business Enterprise in Recent Times, the Case of America* (New York, 1923).

³⁹*Q.J.E.*, Vol. XIII, Jan., 1899, pp. 240–251, July, 1899, Feb., 1900, *The Place of Science*, pp. 82–179.

⁴⁰“Why is Economics not an evolutionary science?” *The Place of Science*, pp. 56–81.

⁴¹“Gustav Schmoller's Economics,” *Q.J.E.*, Vol. XXI, Nov., 1901, pp. 69–93; also *The Place of Science*.

1907, he presented a paper on Karl Marx⁴² showing the dependence of his work on Hegel. In 1908, by which time he had rounded out his work on consumption and production, he waged his onslaught on static economics by a review of Professor Clark's⁴³ works. In the next year he reviewed⁴⁴ Fisher's *Capital and Income*, and in 1909 his *Rate of Interest*,⁴⁵ characterizing them, as would be expected, as most effective work in the sphere of taxonomy. Contemporary economic theorists, from his point of view, were engaged in the business of classifying, and the science under Marshall⁴⁶ was in much the same position as botany under Asa Gray. If modern economic theorists were taxonomists, Veblen attempted the study of the embryology, morphology, physiology, ecology and actiology of economics. Like Professor MacIver⁴⁷ and Professor Unwin, he insisted upon the existence of laws of growth and decay of institutions and associations. His life work has been primarily the study of processes of growth and decay. It is much too early to appraise the validity of this work—certainly he attempted far too wide a field for one individual but it is the method of approach which must be stressed, and not the final conclusions. It has been unfortunate that the slight character of the work in criticism has been responsible for the violence of modern controversy and that, in consequence, the main constructive work has been forgotten.

The net results are extremely difficult to estimate. Certainly the most virile of the younger economists have been strongly influenced by his work. The intense work on descriptive economics in the United States has been partly a result of the suggestiveness of Veblen.⁴⁸ He has been largely the cause of a split in American economics, with the classical

⁴²"The Socialist Economics of Karl Marx and His Followers," *Q.J.E.*, Vol. XX, Aug., 1906, pp. 575-595; Vol. XXI, Feb., 1907, pp. 299-322; also *The Place of Science*.

⁴³"Professor Clark's Economics," *ibid.*, Vol. XXII, Feb., 1908, also *The Place of Science*.

⁴⁴*Political Science Quarterly*, Vol. XXIII, March, 1908, pp. 112-128.

⁴⁵*Ibid.*, Vol. XXIV, June, 1909, pp. 296-303.

⁴⁶*The Place of Science*, pp. 175ff.

⁴⁷MacIver, R. M., *Community* (London, 1917), *The Modern State* (Oxford, 1926).

⁴⁸Homan, Paul T., *Contemporary Economic Thought* (New York, 1928).

and the neoclassical students ranged and opposed to the "evolutionists." In England the Intelligentsia⁴⁹ of the British Labor Party have each in turn paid tribute to Veblen's influence. It would probably be unwise to draw comparisons, but his position in the industrial revolution is, to a large extent, similar to that of Adam Smith at the beginning of the revolution. He has been the first to attempt a general stock-taking of general tendencies in a dynamic society saddled with machine industry, just as Adam Smith has been the first to present a general stock-taking before machine industry came in. As with Adam Smith, nothing is more conspicuous in his work than his attention to current events and his interests in dynamics.⁵⁰ Only less conspicuous was his attempt to maintain an unbiased approach—a point on which he had criticized Schmoller. His interest in anthropology, his terrific irony, and his fearlessness were weapons protecting him from absorption into the partialities of modern movements. His anxiety has always been to detect trends and to escape their effects. On being charged with bias against existing institutions by a reviewer of the *Theory of the Leisure Class*, he replied characteristically, "If one would avoid paralogistic figures of speech in the analysis of institutions, one must resort to words and concepts that express the thoughts of the men whose habits of thoughts constitute the institutions in question." It was this emphasis on the importance of the scientific point of view which led him to write *The Higher Learning in America or a Memorandum on the Conduct of Universities by Business Men* (New York, 1916), and which encouraged him along with his disciples, especially Wesley C. Mitchell, to found the New School for Social Research in which no degrees were to be given, and the only sustaining motive was the stimulus to research. Like Adam Smith, he is an individualist, and, like most individualists in continental countries, in which the industrial revolution made such rapid strides, he is in revolt against mass education and standardization. Mr. Veblen has continued with Unwin, MacIver, Fay and Tawney the work begun by Adam Smith on behalf of the

⁴⁹Webb, S., and B., *The Decay of Capitalist Civilization* (London, 1923).

⁵⁰Tawney, R. H., *The Acquisitive Society* (New York, 1921).

individual and the common man. Veblen's satire, on the other hand, is a product of America, or of the industrial revolution with a continental background. As Veblen has pointed out, England, although the first to feel the effects of the industrial revolution, has never been conquered by it. America and the new continental countries have been less fortunate.

In conclusion, his work is a consistent whole, and springs essentially from a post civil war environment, when the terrific increasing efficiency of machine industry brought problems of conspicuous consumption and of checking of production. It stands as a monument to the importance of an unbiased approach to economics and as an incentive to research in the current problems of the industrial revolution. In the perennial struggle between standardization and dynamic growth, between static theory and dynamic history, between Frankenstein's monster and Frankenstein, between mechanization and the instinct of workmanship, Veblen has waged a constructive warfare of emancipation against the tendency toward standardized static economics which becomes so dangerous on a continent with ever-increasing numbers of students clamoring for textbooks on final economic theory. He attempted to outline the economics of dynamic change and to work out a theory not only of dynamics but of cyclonics.

Any substantial progress in economic theory must come from a closer synthesis between economic history and economic theory. The extensive work being done in economic history in the origin and growth of institutions by the late Professor Unwin, and his school, Professor Fay,⁵¹ Professor Tawney and Professor Gras, will call for more diligent application in the synthesis with economic theory. It is to be hoped that economic theory will not disappear through neglect or through the deadening influence of specialization, and that Veblen's attempts at synthesis may be revised and steadily improved. The conflict between the economics of a long and highly industrialized country such as England and the economics of the recently industrialized new and borrowing countries⁵² will become less severe as the study of cyclonics is

⁵¹Hobson, J. A., *Free-Thought in the Social Sciences* (London, 1926).

⁵²See especially Fay, C. R., *Great Britain from Adam Smith to the Present Day*, (London, 1928).

worked out and incorporated in a general survey of the effects of the industrial revolution such as Veblen has begun and such as will be worked out and revised by later students.⁵³

⁵³This paper is directly opposed to the conception that Mr. Veblen's work is to be regarded in the biological sense as that of a sport and is intended to stress the importance of the environmental factor. Having actually lived through one of the economic storms of new countries, he has attempted to work out some of their important characteristics. His contribution to economics is directly in relation to this background.

